

Schools Forum 20th September 2018

Agenda Item: Schools Block and Central School Services Block Funding 2019/20

1 Introduction

- 1.1 In July 2018, the DfE released some details of school funding in 2019/20, a summary of which can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728273/National_funding_formula_policy_document_-_2019_to_2020_-_BRANDED.pdf.

It has to be opened as a pdf because the DfE appear to have almost immediately archived this paper, which is no longer on their main site.

- 1.2 Tables giving provisional allocations to schools and local authorities can be found here:

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020>

- 1.3 It should be noted that these documents do not provide the final mainstream school allocations, which will use October 2018 census data. They do, however, provide the basis upon which formula funding will be calculated, and therefore allow budget modelling to take place. Similarly, the new central school services block and high needs block budgets have been identified at LA level, but are subject to revisions based on October census data.

- 1.4 The Operational Guide for 'Schools revenue funding 2019 to 2020' can be found here:

<https://www.gov.uk/government/publications/pre-16-schools-funding-guidance-for-2019-to-2020>

2 Schools Block - Mainstream Schools Funding Details

- 2.1 Forum is reminded that this applies both to maintained schools and academies, albeit taking effect from April 2019 for maintained schools and September 2019 for academies.
- 2.2 The government had previously said that for 2018/19 and 2019/20, the national funding formula (NFF) would remain a 'soft' national formula, with allocations to local authorities moving towards a national formula basis, but a continuation of local determination of individual schools budgets (albeit within the constraints of DfE rules). The alternative would have been a 'hard' national formula, meaning that the DfE allocates budgets at school level.
- 2.3 Whilst this 'hard' NFF is still the proposed destination, it has been put back a further year, as local authorities will continue to determine individual school budgets in both 2019/20 and 2020/21.
- 2.4 The context of this decision is that many local authorities, like Telford & Wrekin, are moving local formulae towards the NFF and so from the DfE's point of view, there is already a convergence to the national formula taking place.
- 2.5 Forum will recall that the NFF was a welcome initiative locally, as T&W schools were gaining significantly overall compared to previous funding and the national average. This vindicated our

longstanding contention that in the context of local demographics, our schools had been historically underfunded.

- 2.6 The provisional allocations for 2019/20, based on updated pupil characteristics data, largely confirm the further increase over and above 2018/19 that we had been expecting. Compared to the 2017/18 baseline, funding is modelled to increase by 5.6% over a 2 year period. Eventual full implementation of the NFF would see an increase for T&W school compared to the baseline of 6.8%
- 2.7 To put these figures into context:
- T&W's increase over the 2 years of 5.6% compares to the national average of 3.1%;
 - T&W's increase is the 12th highest increase nationally;
 - The ultimate modelled increase of 6.8%, when the NFF is fully implemented, compares to a national average of 3.5%
 - This again is the 12th highest increase nationally.
- 2.8 It is however worth noting that these figures move when demographic data (primarily low prior attainment and deprivation) changes. So, a year ago, full implementation of the NFF compared to 2017/18 was modelled by the DfE as delivering a 7.0% increase to T&W, which has now slipped to 6.8%.
- 2.9 In general, the principles of 2019/20 schools block allocations are similar to 2018/19. The most significant changes are as follows:
- As published last year, the 'minimum funding levels' for primary schools increase from £3,300 to £3,500 and for secondary schools from £4,600 to £4,800. We included minimum levels within our local funding formula in 2018/19, and intend to incorporate the increased levels in 2019/20;
 - The DfE will allocate growth funding to local authorities in 2019/20 based on a formula. Previously the DfE allocated this based on historic spending. The growth factor will allocate:
 - £1,370 for each primary 'growth' pupil;
 - £2,050 for each secondary 'growth' pupil;
 - where relevant, £65,000 for each new school.
- 2.10 With regard to growth funding, until we have October 2018 census pupil numbers, we won't know how much we will receive. The funding is intended to pay for implicit growth (e.g. funding on estimated numbers) and explicit growth (allocations based on actual increases in pupil numbers). In principle, the change is a welcome move to funding based on actual data rather than historic decisions.

3 Schools Block – 2019/20 Local Formula Plans

- 3.1 The principle adopted for 2018/19 funding was to move our local funding formula towards the NFF. We intend to continue this approach for 2019/20 and as noted above, to incorporate the increase in minimum funding levels. The impact of this for schools is that most of the funding factors will show an increase per pupil, as we pass on the increase in funding per pupil that we will receive compared to 2018/19.
- 3.8 Forum is asked to express any views on the intended approach to the 2019/20 T&W funding formula for schools.

4 Central School Services Block

- 4.1 T&W's 2018/19 allocation was £1.082m. The illustrative allocation for 2019/20 is £1.031m. The decrease of £51,000 is because T&W currently has a protected allocation and protection is being gradually withdrawn at the rate of -2.5% per year. The cash reduction may be relatively modest however, as any increase in pupil numbers in October 2018 compared to October 2017 will offset the reduction in funding per pupil.
- 4.2 Forum is reminded that other local authorities that had funded school premature retirement costs using DSG are having these costs met through additional central services block allocations. As an illustration, two of our neighbours, Staffordshire and Shropshire, have allocations for historical commitments of £3.2m and £2.1m respectively. T&W's allocation is £25,000 (for safeguarding training). The Council currently pays around £1.4m per annum from its own resources for school premature retirement costs.
- 4.3 Despite creating this block specifically for central services, as for 2018/19 LAs will still need to seek Forum approval of funding used to meet the costs of statutory central services, i.e. in exactly the same way as when these services were funded from the Schools Block.
- 4.4 Any remaining funds can be moved by LAs to other blocks after consultation with the Forum – but without specific approval being required. It is very likely that as in 2018/19, T&W would wish to move any remaining funds to high needs. Further details regarding central services are provided in the separate paper on this specific issue.

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